

Digital Dividend Review: Teletext response

Question 1: This executive summary sets out Ofcom's proposals for the release of the digital dividend. Do you agree with these proposals?

Teletext does not agree that a technology-neutral auction of spectrum is the right approach. The cost of switchover is largely being borne by the public through the cost of TV equipment and the BBC licence fee, and therefore there must be clear public benefit in the outcome of the DDR process. To simply auction the spectrum does not sufficiently guarantee that outcome.

As a PSB and as part of Digital UK, Teletext argues via the Digital UK submission that the provision of new television services, including high definition TV on digital terrestrial, should be secured as an outcome of the Digital Dividend Review.

However the public teletext service offers a further, even more compelling reason for capacity to be reserved before any auction of released spectrum: Teletext does have sufficient gifted capacity to deliver our analogue editorial service in digital form.

There is less editorial content on the digital public teletext service than on the analogue public text service. Because of the different nature of the technologies and services, it is difficult to give an exact comparison but there is less content on digital compared with analogue in the following sections:

- Football (fewer pages in the Premiership, Championship and SPL sections)
- Finance (fewer shares and Premium Bond result pages)
- Weather (fewer leisure/specialist weather pages)
- Regional Arts and Entertainment listings (nothing on digital currently)
- Flight arrivals (nothing on digital currently)

Our Statement of Policy for 2007 said we aimed to add Flight Arrivals, regional Arts & Entertainment listings, and extra specialist weather pages to digital this year. To find the capacity to do this, we have reluctantly removed our Teletext 3000 shares service, and have inevitably had complaints from viewers. This service is still available on analogue.

Furthermore, we will have to cut down the scale of at least two of these genres, and possibly all three of them, from their current analogue size to fit them in. We have also been forced to compromise on our regional weather maps, combining regions as we only have sufficient capacity for half as many maps as we would like to offer. By comparison the only section which is bigger on digital than analogue is TV listings, due to the extra number of channels.

Our editorial content development for the digital public teletext service is a process of constant compromise and often of reduction, not improvement. We also still get anecdotal viewer feedback that on some DTT receivers the digital service is perceived to be slower to access, either initially or to key sections, than its analogue equivalent. While improvements in technology have helped for some receivers, the amount of digital capacity we have available is directly related to our ability to improve the speed of our service for all receivers. And the more content we seek to add, the more we risk slowing the service down further.

As a result of these issues, the digital public Teletext service is of lower content quality and less diverse. It also disappoints viewers, who expect the same content to be available on digital. Furthermore, viewers have an expectation that the digital public text service will be of higher quality than analogue because of the basic functionality and appearance of analogue teletext technology, so their disappointment is doubly felt.

Ofcom's own annual PSB report shows that while viewers continue to use the analogue Teletext service in large numbers, digital use remains low¹. These figures contradict the pattern in the rest of the TV market, where digital take-up is now at 75%. It is clear, and supported by our own audience research, that viewers in digital homes revert to analogue to access the public teletext service².

Given the imminent start of switchover, this situation is clearly not in the public interest, nor is it in the interests of public confidence in the wider switchover process. Furthermore, the lack of audience to the digital public service creates serious doubts as to the commercial viability of the digital public teletext licence, which is not in Teletext Ltd's nor, we suggest, in Ofcom or the Government's interests, as switchover approaches.

In her letter to us awarding the original digital public teletext capacity in 1996, the then Secretary of State wrote: "I believe that what I am proposing gives you the opportunity to provide an enhanced public teletext service with...improved and increased content."

The Secretary of State concluded: "This decision should allow you to provide a better and more user-friendly public teletext service which has the potential to make a significant contribution to the launch of digital terrestrial television."

In our opinion, allocating spectrum released by switchover to correct a situation in which a digital public service cannot be as fully delivered as it is in analogue, and in which viewers are reverting back to analogue to use public teletext content they cannot get in digital, creates a very strong case for intervention to secure desirable public outcomes, before any technology-neutral auction process.

Question 2 and 3:

Teletext has no view.

Question 4: Do you have any comments on Ofcom's assessment of the potential uses which should be considered that are not mentioned in this document?

As stated in answer to Question 1, the unique case of the digital public teletext service has not been mentioned in the document and should be considered.

¹ 88% of Teletext viewers claim to use any of the three analogue channels to access Teletext, in comparison to 8% who said they used the digital channel. Source: Ofcom's PSB annual report, 2007.

² In Sky and Freeview homes in Oct-Dec 2006, there were 5m weekly analogue Teletext viewers, and 3m weekly digital Teletext viewers. Source: Teletext TAMS data.

Question 5: Do you have any comments on our analysis of the choice between a market-led and an interventionist approach to the release of this spectrum?

It is important that the DDR process is structured to ensure that public benefit is a certain outcome. We are concerned that a single market-led approach may not achieve this.

Questions 6, 7 and 8:

Teletext has no view.

Question 9: Do you consider that it would be desirable to hold back some spectrum from award with a view to its potential use for future innovation? If so please provide comments on how much spectrum should be held back and for how long?

The arguments we put forward in answer to Question 1 would further support the arguments put forward by Digital UK in its response: that is, that Ofcom holds back spectrum during the DSO programme to preserve flexibility to deal with transitional issues in the manner which causes the least disruption to viewers.

Correcting the insufficient capacity for the public teletext service so its content can match analogue could be seen as just such a transitional issue.

Questions 10 and 11:

Teletext has no view.

Question 12: Do you agree with our proposal that we should not intervene in the award of this spectrum for DTT? Do you agree that we should package the spectrum in a way which is suitable for DTT use?

Teletext believes that Ofcom should intervene in the award of this spectrum for DTT because we believe it is important that Ofcom ensures that some of the available spectrum ends up being used for television services on DTT in order to deliver on public expectations of DSO. The argument for the digital public teletext service in this regard is made in answer to Question 1.

Question 13:

Teletext has no view.

Question 14. Do you agree with our proposal to auction licences for the use of UHF spectrum?

As stated in answer to Question 1, we believe that some intervention is necessary, for the reasons stated in answer to Question 1.

Questions 15-20:

Teletext has no view.